

## Message Text

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FM USMISSION NATO  
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INFO ALL NATO CAPITALS  
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USMISSION OECD PARIS  
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AMEMBASSY BERLIN  
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AMEMBASSY PRAGUE  
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AMEMBASSY STOCKHOLM  
AMEMBASSY VIENNA  
AMEMBASSY WARSAW  
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C O N F I D E N T I A L SECTION 1 OF 6 USNATO 1945

E.O. 11652: GDS  
TAGS: CSCE, EGEN, SENV, NATO, XH  
SUBJECT: ECONADS: BASKET II CONTRIBUTION TO POLADS REPORTS  
ON CSCE IMPLEMENTATION/BELGRADE

REF: USNATO 1943  
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SUMMARY: WE QUOTE BELOW THE TEXT OF AN ECONOMIC DIRECTORATE  
DRAFT, DESCRIBED IN REFTTEL, WHICH ALSO CONTAINS OUR  
COMMENTS AND ACTION REQUEST. END SUMMARY.

1. BEGIN TEXT OF ED/EC/77/32:

ECONOMIC COMMITTEE  
IMPLEMENTATION OF THE CSCE FINAL ACT  
CONTRIBUTION TO THE REPORTS PREPARED BY THE POLITICAL  
COMMITTEE

NOTE BY THE CHAIRMAN

THE ECONOMIC COMMITTEE EXAMINED, ON 21ST MARCH, 1977  
THE IMPLEMENTATION OF THE FINAL ACT OF THE CSCE. AT THAT  
MEETING DELEGATIONS WERE INVITED TO SEND A REPORT ON THE  
PERFORMANCE OF EASTERN COUNTRIES AS REGARDS THE PROVISIONS OF  
BASKET II. AT THE TIME OF WRITING, ONLY TWO DELEGATION HAVE  
SENT INFORMATION FOR THE PERIOD NOVEMBER, 1976 TO MARCH, 1977.

2. THE ENLARGED MEETING OF 21ST MARCH ALSO EXAMINED THE  
PREPARATION OF THE BELGRADE MEETINGS AND THE QUESTION OF THE  
BREZHNEV PROPOSALS. THE ATTACHED DRAFT REPORT COMPRISES TWO  
PARTS. PART I IS THE CONTRIBUTION TO THE REPORT ON THE IMPLE-  
MENTATION OF THE FINAL ACT, AND PART II WHICH IS THE CONTRI-  
BUTION TO THE REPORT ON THE PREPARATIONS FOR THE BELGRADE  
MEETINGS IN 1977. (SIGNED) J. BILLY

PART I  
IMPLEMENTATION OF THE CSCE FINAL ACT (BASKET II)  
A. CONTRIBUTION TO THE REPORT  
MAIN TRENDS

SINCE THE WRITING OF THE PREVIOUS REPORT (C-M(76)73(FINAL))  
LITTLE MOVEMENT HAS BEEN NOTED IN THE UNILATERAL IM-  
PLEMENTATION BY THE WARSAW PACT COUNTRIES OF THE PROVISIONS  
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OF BASKET II OF THE FINAL ACT. THIS IS PARTICULARLY EVIDENT  
AS REGARDS MEASURES TO BE TAKEN TO FACILITATE COMMERCIAL EX-  
CHANGES. THE GENERAL IMPRESSION IS THAT IN THE FIELD OF ECONOMIC  
AND COMMERCIAL INFORMATION, PROGRESS IS PARTICULARLY SLOW  
AND IN SOME COUNTRIES EVEN RETROGRADE MEASURES HAVE BEEN  
TAKEN.

2. ALLIES VIEWS ON THE BREZHNEV PROPOSALS FOR PAN-EUROPEAN  
CONGRESSES ON ENERGY, TRANSPORT AND THE ENVIRONMENT CONTINUE  
TO BE THAT THERE IS NO POSITIVE ADVANTAGES FOR THE WEST IN  
THEM. ALTHOUGHT THE SOVIET UNION HAS RECENTLY GIVEN SOME  
CLARIFICATION IN THIS CONNECTION, IT WOULD SEEM THAT IT PER-  
SISTS IN ITS AIM TO HAVE THESE CONFERENCES OUTSIDE THE ECE  
CONTEXT. CONSEQUENTLY, WHILE THE SOVIETS INTEND TO DISCUSS  
THSESE PROPOSALS AT THE 32ND PLENARY SESSION OF THE ECE-  
GENEVA, IT WOULD SEEM THAT THEY ARE NOT PREPARED TO NEGOTIATE  
ON THE PRINCIPLE OF SUCH CONFERENCES, BUT ONLY ON THE AR-  
RANGEMENTS FOR THEIR BEING HELD. THE ALLIED GOVERNMENTS  
STILL BELIEVE THAT THE MAIN AIM OF THE BREZHNEV PROPOSALS IS  
TO DIVERT THE ATTENTION FROM SOVIET IMPLEMENTATION OF THE  
FINAL ACT AND FROM THOSE ASPECTS OF IT WHICH ARE OF IMPORTANCE  
TO THE WEST. THEY ALSO FEELD THAT THESE PROPOSALS GO WELL  
BEYOND THE TERMS OF THE FINAL ACT, AND THAT THEY DO NOT  
FIT THE PATTERN FOR MULTILATERAL IMPLEMENTATION OF BASKET II  
DESIRED BY THE ALLIES. THE LATTER CONTINUE TO CONSIDER THAT

THE ECE-GENEVA IS THE CHIEF FORUM FOR PURSUING MULTILATERAL BASKET II IMPLEMENTATION.

3. HOWEVER, IT MUST BE RECOGNIZED THAT THE SOVIET UNION IS NOT LIKELY TO BE DEFLECTED FROM ITS PROJECT WHICH SEEMS TO BE A LONG-TERM ONE, AND THAT IT WILL BE PRESSING FOR THE MATTER TO BE SOLVED AT THE 32ND PLENARY SESSION OF THE ECE-GENEVA IN APRIL. CONSEQUENTLY, THERE IS A NEED FOR THE ALLIED GOVERNMENTS (AND OTHER WESTERN COUNTRIES) TO REACH A FIRM UNDERSTANDING ON THE ATTITUDE TO BE ADOPTED AT THE FORTHCOMING PLENARY SESSION. A COMPLETE REJECTION OF THE BREZHNEV PRO-  
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POSALS DOES NOT SEEM FEASIBLE, AS IT WOULD BE USED BY THE USSR AS A PROPAGANDA PLOY DESIGNED TO SHOW THE RELUCTANCE OF WESTERN COUNTRIES TO IMPLEMENT THE FINAL ACT. THEREFORE, THERE IS A NEED FOR A WESTERN RESPONSE AND IT COULD VOCUT ON THE ENVIRONMENT. ALLIED GOVERNMENTS COULD SUGGEST THAT THE ECE DEVELOP ITS WORK PROGRAMME ON SPECIFIC ENVIRONMENTAL TOPICS OF PARTICULAR INTEREST TO THE WEST.

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C O N F I D E N T I A L SECTION 2 OF 6 USNATO 1945

B. CONTRIBUTION TO THE ANNEX OF THE REPORT

1. IN THE AREA OF ECONOMIC AND COMMERCIAL INFORMATION, THE USSR HAS RECENTLY STARTED PUBLISHING QUARTERLY STATISTICAL BULLETINS ON ITS FOREIGN TRADE, BUT IT HAS TAKEN A STEP BACKWARDS AS THE PRINT RUN OF ITS STATISTICAL ANNUAL HAS BEEN CONFIDENTIAL

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REDUCED TO 30,000 COPIES. IN POLAND AND IN HUNGARY THE AVAILABILITY OF DATA AND INFORMATION IS GREATER THAN IN OTHER PACT COUNTRIES. IN THIS CONNECTION THE GDR HAS RECENTLY TAKEN MEASURES TO REDUCE AVAILABLE DATA ON FOREIGN TRADE. THE SITUATION IN ROMANIA AND BULGARIA REMAINS UNSATISFACTORY. THE UNITED KINGDOM AND CANADIAN AUTHORITIES ARE CURRENTLY COMPILING A DOSSIER ON ECONOMIC AND COMMERCIAL INFORMATION AVAILABLE IN THE EASTERN COUNTRIES. FOR ITS PART, THE EUROPEAN COMMUNITY IS MAKING AN INVENTORY OF THE DISCREPANCIES WHICH EXIST IN THE STATISTICAL DOCUMENTATION PUBLISHED BY THE SOVIET UNION.

2. AS REGARDS THE FACILITATION OF BUSINESS CONTACTS. THE SITUATION VARIES FROM ONE COUNTRY TO ANOTHER. IT IS BETTER IN HUNGARY AND IN POLAND THAN IN THE REST OF THE WARSAW PACT COUNTRIES. THE USSR RECENTLY INITIATED VISA PROCEDURES WHICH PLACE NEW LIMITATIONS ON BUSINESSMEN VISITING THAT COUNTRY AND MAKE IT DIFFICULT FOR THEM TO CHANGE THEIR TRAVEL ARRANGEMENTS OUT OF THE COUNTRY, OR TO BE ABLE TO LEAVE RAPIDLY IF NEEDS BE.

3. WITH REGARD TO THE RIGHT OF ESTABLISHMENT OF FOREIGN FIRMS IN THE WARSAW PACT COUNTRIES, LAST NOVEMBER CZECHOSLOVAKIA AUTHORIZED 18 WESTERN FIRMS TO OPEN OFFICES THERE. HOWEVER, THE CRITERIA ACCORDING TO WHICH PERMISSION IS GIVEN CONTINUE TO BE EXCESSIVELY RIGID. IN BULGARIA, ONLY THREE OR FOUR LARGE WESTERN FIRMS ARE REPRESENTED. THEY ARE DISCOURAGED BY THE FINANCIAL CONDITIONS AND THE DIFFICULTIES ENCOUNTERED WHEN ATTEMPTS ARE MADE TO OPEN OFFICES IN THAT COUNTRY. SMALL AND MEDIUM-SIZED ENTERPRISES FIND IT EXTREMELY DIFFICULT, IF NOT IMPOSSIBLE, TO BE REPRESENTED IN WARSAW PACT COUNTRIES, AS THE COST OF PERMANENT COMMERCIAL OFFICES THERE IS OFTEN SO HIGH THAT IT ACTS AS A BARRIER FOR THESE FIRMS.

4. IN THE FIELD OF MARKETING, THE SOVIET UNION IS  
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CONSCIOUS OF THE NEED TO DEVELOP THE NECESSARY TECHNIQUES FOR EFFICIENT MARKETING, AND IN THAT CONNECTION HAS CREATED IN THE WEST A GROWING NETWORK OF COMPANIES FOR THE SALE OF SOVIET PRODUCTS AND SERVICES. THE SOVIET UNION CLAIMS THAT THE CREATION OF A JOINTLY OWNED COMPANY (WHERE THE SOVIET SHARE IS USUALLY THE MAJORITY ONE) REPRESENTS A FORM OF CO-OPERATION WITHIN THE PROVISIONS OF BASKET II. HOWEVER, THE SAME FACILITIES DO NOT EXIST IN THAT COUNTRY FOR THE ESTABLISHMENT OF JOINTLY OWNED COMPANIES WITH A WESTERN MAJORITY HOLDING. THE BULGARIAN AUTHORITIES DO NOT MAKE ANY SPECIAL EFFORT TO FACILITATE ACCESS TO THEIR MARKET, OR TO ENCOURAGE MARKETING; IN FACT, THERE ARE OFFICIAL INSTRUCTIONS TO RESTRICT TO THE MINIMUM THE IMPORTATION OF EQUIPMENT ORIGINATING FROM NON-SOCIALIST COUNTRIES.

5. AS REGARDS TECHNICAL CO-OPERATION, DENMARK INTENDS TO PROPOSE, AT A SPECIAL MEETING AT THE ECE-GENEVA ON CONSTRUCTION TECHNIQUES, THE ORGANIZATION IN MARCH 1978 OF A SYMPOSIUM IN GREENLAND ON BUILDING AND CONSTRUCTION TECHNOLOGY IN THE ARCTIC REGIONS.

6. IN THE FIELD OF TRANSPORT, THE PROVISIONS OF BASKET II HAVE NOT BEEN IMPLEMENTED BY THE SOVIET UNION OR BULGARIA. THERE HAS BEEN NO ATTEMPT BY THESE COUNTRIES TO SIMPLIFY AND HARMONIZE ADMINISTRATIVE FORMALITIES, IN PARTICULAR AT FRONTIERS, AND TO IMPROVE THE SECURITY OF ROAD AND OTHER FORMS OF TRANSPORT. IN CZECHOSLOVAKIA, ALTHOUGH THERE DOES NOT SEEM TO BE ANY PARTICULAR PROBLEM, THERE HAS BEEN NO CHANGE IN THE SITUATION SINCE THE SIGNING OF THE HELSINKI DOCUMENT. DEVELOPMENTS IN THE OTHER WARSAW PACT COUNTRIES DO NOT APPEAR TO CALL FOR ANY SPECIFIC COMMENT.

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7. THE BREZHNEV PROPOSALS FOR ALL-EUROPEAN CONGRESSES ON ENERGY, TRANSPORT AND THE ENVIRONMENT WILL PROBABLY BE ONE OF THE MAIN ITEMS FOR DISCUSSION AT THE ECE-GENEVA 32ND PLENARY SESSION IN APRIL. BULGARIA, CZECHOSLOVAKIA, THE GDR, HUNGARY AND POLAND HAVE COMMUNICATED THEIR AGREEMENT WITH THE CONGRESSES' IDEA TO THE EXECUTIVE SECRETARY OF THE ECE. CONFIDENTIAL

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IN MARCH, 1977 THE USSR SENT A FURTHER COMMUNICATION TO THE LATTER, ELABORATING ON VIEWS COMMUNICATED EARLIER ON THE BREZHNEV PROPOSALS. FINLAND INFORMED THE ECE SECRETARIAT THAT IT WOULD BE PREPARED TO CONTRIBUTE TO THE PREPARATION AND TO THE CONVENING OF A CONFERENCE ON THE PROTECTION OF THE ENVIRONMENT, AND THAT IT COULD GET ALONG WITH THE SOVIET PROPOSAL IN THIS SPECIFIC FIELD.

8. AMONG THE ALLIED GOVERNMENTS, THOSE BELONGING TO THE EUROPEAN ECONOMIC COMMUNITY HAVE COLLECTIVELY GIVEN THEIR VIEWS ON THE BREZHNEV PROPOSALS IN A LETTER ADDRESSED TO THE EXECUTIVE SECRETARY OF THE ECE-GENEVA DATED 18TH MARCH, 1977, IN ACCORDANCE WITH THE TERMS OF PARAGRAPH 2 OF DECISION B (XXXI) ADOPTED ON 9TH APRIL, 1976 BY THE 31ST ECE PLENARY SESSION. NO OTHER COUNTRY SEEMS TO HAVE MADE A SIMILAR COMMUNICATION TO THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE, AND THE UNITED STATES IN ANY CASE DOES NOT INTEND TO DO SO.

9. THE EUROPEAN ECONOMIC COMMUNITY CONSIDERS THAT THE TOPICS SUGGESTED BY THE SOVIET GOVERNMENT FOR DISCUSSION AT THE PROPOSED CONGRESSES ARE ALREADY COVERED BY THE EXISTING WORK PROGRAMME OF THE ECONOMIC COMMISSION FOR EUROPE. IT ALSO BELIEVES THAT THE LATTER IS THE PROPER AND NORMAL FORUM FOR WORK CONNECTED WITH THESE PROPOSALS.

10. THE GENERAL ALLIED VIEW IS THAT THE RECENT SOVIET LETTER TO THE EXECUTIVE SECRETARY OF THE ECE-GENEVA, WHICH GIVES SOME CLARIFICATION OF THE BREZHNEV PROPOSALS, SHOULD BE CAREFULLY LOOKED INTO AND SHOULD THE ADDITIONAL INFORMATION BE INSUFFICIENT OR DEVOID OF ANY NEW ELEMENTS, THIS SHOULD

BE BROUGHT TO THE ATTENTION OF THE USSR AT THE 32ND PLENARY SESSION IN GENEVA. THERE IS ALWAYS THE RISK THAT THE USSR COULD BECOME OBSTRUCTIVE AND NEGATIVE ON THE WORK PROGRAMME OF THE ECE IN ORDER TO OBTAIN SOME ACQUIESCENCE BY THE WEST IN ITS PROPOSALS. THERE IS ALSO THE POSSIBILITY THAT THE  
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SOVIETS, SHOULD THEY FAIL TO PUSH THEIR PROPOSALS AT THE 32ND PLENARY SESSION, WOULD TAKE THE MATTER UP AGAIN AT BELGRADE. HOWEVER, IN THAT CASE THE ALLIES WOULD BE IN A STRONG POSITION, AS THEIR ATTITUDE COMPLIES WITH THE PROVISIONS OF THE FINAL ACT AND THE SOVIETS WOULD BE THE "DEMANDEUR".

PART II(1)

PREPARATIONS FOR THE BELGRADE MEETINGS, 1977

A. SUMMARY OF OBJECTIVES AND THEMES

1. ON ECONOMIC QUESTIONS, THE OBJECTIVES OF THE ALLIES WILL BE TO STRESS THE NEED FOR MOVEMENT, ACCESS AND CONTACTS AND TO OBTAIN MAXIMUM EASTERN COMPLIANCE WITH BASKET II PROVISIONS. ANOTHER AIM OF THE ALLIES WILL BE TO ENSURE THAT THE UN ECONOMIC COMMISSION FOR EUROPE REMAINS THE FOCAL POINT FOR MULTILATERAL BASKET II ACTIVITIES, AND IN THAT CONNECTION THEY WILL RESIST ATTEMPTS BY THE EAST TO PUSH THE BREZHNEV PAN-EUROPEAN CONGRESSES' PROPOSALS AT BELGRADE. THE MAIN ALLIED THEMES MIGHT BE THE FREE FLOW OF INFORMATION, THE FACILITATION OF CONTACTS, AND THE PROMOTION OF TRADE ON THE BASIS OF EQUALITY, MUTUAL BENEFIT AND RECIPROCITY. THIS APPROACH SHOULD ENABLE THE ALLIES TO IDENTIFY FAILURES IN IMPLEMENTATION BY THE EASTERN COUNTRIES AND TO INDICATE TO THE LATTER WHAT THEY EXPECT FROM THEM IN TERMS OF FUTURE IMPLEMENTATION. IT WOULD ALSO MAKE IT POSSIBLE TO EXPLAIN TO THE WESTERN PUBLIC AND MEDIA WHAT THE ALLIANCE OBJECTIVES ARE, WHILE DEFLECTING ANY MOVE BY THE EAST TO PRESENT ITSELF AS THE MAIN SUPPORTER OF ECONOMIC CO-OPERATION. THE ALLIES MAY POSSIBLY WISH TO TABLE AT BELGRADE A LIMITED NUMBER OF FOLLOW-UP PROPOSALS, IN ORDER TO KEEP THE INITIATIVE ON BASKET II.

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B. MAIN SUBJECT AREAS AND THEMES AT BLEGRADE

2. ON ECONOMIC QUESTIONS, THE ALLIES WILL WISH TO DEMONSTRATE, ON THE BASIS OF AN ANALYSIS OF DEVELOPMENTS SINCE THE SIGNING OF THE FINAL ACT, THAT THEY HAVE CARRIED OUT THEIR COMMITMENTS AND TO ENCOURAGE THE SOVIET UNION AND THE EASTERN CONFIDENTIAL

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COUNTRIES TO DO LIKEWISE. THEY WILL ALSO WISH TO INDICATE THEIR WILLINGNESS TO DEVELOP CO-OPERATION IN THE FIELDS COVERED BY BASKET II IN ACCORDANCE WITH ITS PROVISIONS.

3. THERE IS A POSSIBILITY THAT THE EAST WILL TRY TO LIMIT THE DISCUSSIONS ON BASKET II TO A FEW AREAS OF SPECIFIC UNILATERAL INTEREST. THE ALLIES SHOULD INSIST ON HAVING THE OPPORTUNITY TO REVIEW THE DEGREE OF IMPLEMENTATION IN ALL AREAS IN AS MUCH DETAIL AS THEY WISH.

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(1) THE PRESENTATION OF THIS SECTION OF THE PAPER FOLLOWS THE PATTERN OF THE COMPREHENSIVE DRAFT REPORT SUBMITTED TO THE POLITICAL COMMITTEE. THE PARAGRAPHS ON ECONOMIC MATTERS WILL BE INCORPORATED INTO IT AFTER APPROVAL BY THE ECONOMIC COMMITTEE.

4. THE ALLIES SHOULD DRAW ATTENTION TO THE FACT THAT THE OPEN NATURE OF THE WESTERN SYSTEM LEAVES LITTLE TO THE INITIATIVE OF WESTERN GOVERNMENTS AS FAR AS BASKET II IMPLEMENTATION IS CONCERNED, AND THAT THE WEST HAS ADHERED TO THE STANDARD OF CON-



DUCT ENDORSED BY ITS PROVISIONS. THEY SHOULD ALSO STRESS THAT CONDITIONS ARE QUITE DIFFERENT IN THE EAST WHERE GOVERNMENT ACTION IS IMPERATIVE IF THE COMMITMENTS ENTERED INTO AT HELSINKI ARE TO BE HONOURED AND WHERE UNILATERAL IMPLEMENTATION IN MANY AREAS OF BASKET II HAS BEEN DISAPPOINTING.

5. THE ALLIES MAY WISH TO UNDERLINE, IN PARTICULAR, THREE MAIN THEMES IN ORDER TO DRAW THE DISTINCTION BETWEEN EASTERN AND WESTERN PRACTICES: THE FREE FLOW OF INFORMATION, THE FACILITATION OF CONTACTS AND THE PROMOTION OF TRADE ON THE BASIS OF EQUALITY, MUTUAL BENEFIT AND RECIPROCITY.

6. ON THE QUESTION OF THE FREE FLOW OF INFORMATION, THE ALLIES HAVE ENCOUNTERED DIFFICULTIES IN OBTAINING CERTAIN BASIC INFORMATION REGARDING TRADING INSTITUTIONS AND PERSONNEL, LAWS

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AND REGULATIONS, ECONOMIC AND COMMERCIAL TRENDS (FIVE-YEAR PLANS) AS WELL AS TIMELY AND COHERENT STATISTICS. ALL THESE ARE A PRIORITY REQUIREMENT FOR THE FURTHER DEVELOPMENT OF EAST-WEST TRADE. IN ADDITION TO THE UNILATERAL MEASURES EXPECTED FROM THE EASTERN COUNTRIES, THE ALLIES MAY WISH TO DRAW ATTENTION TO THE GREATER ROLE WHICH COULD BE PLAYED BY THE ECE-GENEVA, FOR INSTANCE, IN THE MULTILATERAL NOTIFICATION OF LAWS AND REGULATIONS CONCERNING TRADE, THE HARMONIZATION OF STATISTICAL NOMENCLATURE, THE PREPARATION OF INTERNATIONALLY COMPARABLE STATISTICAL INFORMATION.

7. THE THEME ON THE FACILITATION OF CONTACTS ENCOMPASSES A LARGE NUMBER OF ACTIVITIES. IT IS RELEVANT, FOR EXAMPLE, TO DIFFICULTIES ENCOUNTERED IN EASTERN COUNTRIES BY WESTERN FIRMS OPENING OFFICES OR AGENCIES THERE, BY SMALL AND MEDIUM-SIZED FIRMS WHICH CANNOT AFFORD TO HAVE BRANCHES IN THESE COUNTRIES AND BY BUSINESSMEN WHO OFTEN CANNOT ESTABLISH DIRECT CONTACT WITH END-USERS AND WHO EVEN, WHEN ASSIGNED TO EASTERN COUNTRIES, HAVE TO OBTAIN EXIT/RE-ENTRY PERMISSION EVERY TIME THEY LEAVE THE HOST COUNTRY. ON ALL THESE MATTERS THE ALLIES MAY WISH TO URGE THE EASTERN COUNTRIES TO REMOVE EXISTING OBSTACLES AND SIMPLIFY ADMINISTRATIVE NEGOTIATIONS AND CONTACTS. ANOTHER SPECIFIC AREA OF CO-OPERATION WHERE THE EAST COULD MAKE A SUBSTANTIAL UNILATERAL CONTRIBUTION IS THE SIMPLIFICATION AND HARMONIZATION OF ADMINISTRATIVE FORMALITIES IN THE FIELD OF INTERNATIONAL TRANSPORT, IN PARTICULAR AT FRONTIERS. TOURISM IS ALSO AN ACTIVITY WHICH COMES UNDER THE THEME OF FACILITATION OF CONTACTS. THE ALLIES MAY WISH TO ENCOURAGE THE EAST TO REMOVE THE RESTRICTIONS ON TOURIST TRAVEL ABROAD BY ITS NATIONALS, AND

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IMPROVE THE PROCESSING OF FORMALITIES FOR TOURISM. HOWEVER,  
CARE SHOULD BE TAKEN TO DISTINGUISH BETWEEN EASTERN COUNTRIES,  
AS SOME, FOR INSTANCE HUNGARY, HAVE A RATHER BETTER RECORD  
ATHAN OTHERS, AND HAVE MADE EFFORTS TO FACILITATE BUSINESS  
CONTACTS AND TOURISM.

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8. THE THEME ON THE PROMOTION OF TRADE ON THE BASIS OF  
EQUALITY, MUTUAL BENEFIT AND RECIPROCITY SHOULD SERVE A DOUBLE  
PURPOSE. FIRST, TO REMIND THE EASTERN COUNTRIES OF THE DE  
FACTO, AND SOMETIMES DE JURE, DISCRIMINATION AND RESTRICTIONS  
WHICH EXIST IN THE TRADING SYSTEM OF THE SOCIALIST ECONOMIES  
AND TO THROW LIGHT ON PRACTICES WHICH DO NOT COMPLY WITH THE  
PROVISIONS OF BASKET II. SECONDLY, TO DEFLECT ATTEMPTS BY THE  
EAST TO INVOKE THE ECONOMIC AND INDUSTRIAL CO-OPERATION AGREE-  
MENTS CONCLUDED SINCE 1972 WITH MANY WESTERN COUNTRIES AND THE  
RAPID GROWTH OF EAST-WEST TRADE OVER THE LAST FEW YEARS AS  
PROOF OF ITS EFFORTS TO IMPLEMENT BASKET II PROVISIONS.  
ADDITIONALLY, THE ALLIES SHOULD BE PREPARED TO COUNTER THE  
TRADITIONAL CRITICISM BY THE EAST ABOUT THE EXISTENCE OF IMPORT  
QUOTAS IN WESTERN COUNTRIES, THE BAN IN THE LATTER ON

THE EXPORT OF CERTAIN TYPES OF EQUIPMENT AND COMMODITIES TO EASTERN COUNTRIES, THE DISCRIMINATORY APPLICATION OF THE MFN TREATMENT, ETC.

9. DEPENDING ON THE NATURE OF DEVELOPMENTS AT BELGRADE, THE ALLIES MAY WISH TO PRESENT A LIMITED NUMBER OF SPECIFIC FOLLOW-UP PROPOSALS ON BASKET II TOPICS WHICH WILL SERVE TO RETAIN THE WESTERN INITIATIVES, TO FOCUS THE DISCUSSION ON IDEAS CONTAINED IN THE BROAD THEMES WHICH WILL BE DISCUSSED, AND TO OFFSET ANY NEW PROPOSALS EASTERN COUNTRIES MAY TABLE IN AND ATTEMPT TO DEFLECT ATTENTION FROM THEIR IMPLEMENTATION RECORDS. PROPOSALS BY THE ALLIES SHOULD BE DESIGNED TO COMPLEMENT THEIR BASIC OBJECTIVE AT BELGRADE, WHICH IS TO ENCOURAGE CONCRETE EASTERN IMPLEMENTATION OF FINAL ACT COMMITMENTS. THE LIST OF POSSIBLE FOLLOW-UP PROPOSALS IS GIVEN AT ANNEX A.

#### BASKET II: COMMERCIAL EXCHANGES

##### 1. BUSINESS CONTACTS AND FACILITIES

(A) REPRESENTATION OF MEDIUM AND SMALL-SIZED WESTERN FIRMS  
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BASIS: THE SUB-CHAPTER ON BUSINESS CONTACTS AND FACILITIES SPECIFIES THAT THE PARTICIPATING STATES "WILL FURTHER TAKE MEASURES AIMED AT IMPROVING WORKING CONDITIONS..." "BY EXAMINING AS FAVOURABLY AS POSSIBLE REQUESTS FOR THE ESTABLISHMENT OF PERMANENT REPRESENTATIONS AND OFFICES FOR THIS PURPOSE, INCLUDING, WHERE APPROPRIATE, THE OPENING OF JOINT OFFICES BY TWO OR MORE FIRMS". THE SIGNATORIES OF THE FINAL ACT ALSO RECOGNIZED "THE IMPORTANCE OF SUCH MEASURES TO ENCOURAGE GREATER PARTICIPATION BY SMALL AND MEDIUM-SIZED FIRMS IN TRADE..."

PROPOSAL: PARTICIPATING STATES SHOULD DECLARE THEIR INTENTION TO STRENGTHEN MEASURES FOR ATTRACTING SMALL OR MEDIUM-SIZED FIRMS TO THE EASTERN MARKETS.

(B) GRANTING OF MULTIPLE ENTRY/EXIT VISAS TO "RESIDENT" FOREIGN BUSINESSMEN

BASIS: IN THE SUB-CHAPTER ON BUSINESS CONTACTS AND FACILITIES, PARTICIPATING STATES UNDERTOOK TO "TAKE MEASURES AIMED AT IMPROVING WORKING CONDITIONS OF REPRESENTATIVES OF FOREIGN ORGANIZATIONS, ENTERPRISES, FIRMS AND BANKS CONCERNED WITH TRADE..."

PROPOSAL: THE PARTICIPATING STATES SHOULD DECLARE THAT THEY "WILL ENDEAVOUR TO PROVIDE MULTIPLE ENTRY/EXIT VISAS FOR UP TO ONE YEAR TO ALL RESIDENT FOREIGN BUSINESSMEN REPRESENTING FIRMS, ORGANIZATIONS, ENTERPRISES OR BANKS

FROM PARTICIPATING STATES, INCLUDING BUSINESSMEN WHO ARE  
FROM A THIRD PARTICIPATING STATE."

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ACTION EUR-12

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AMEMBASSY SOFIA  
AMEMBASSY STOCKHOLM  
AMEMBASSY VIENNA  
AMEMBASSY WARSAW  
USMISSION BERLIN

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## 2. ECONOMIC AND COMMERCIAL INFORMATION

(A) PUBLICATION AND DISSEMINATION OF COMMERCIAL  
AND ECONOMIC DATA

BASIS: THE SUB-CHAPTER ON ECONOMIC AND COMMERCIAL  
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INFORMATION SPECIFIES, INTER ALIA, THAT THE PARTICIPATING  
STATES WILL "IMPROVE THE QUALITY AND INCREASE THE QUANTITY  
AND SUPPLY OF ECONOMIC AND RELEVANT ADMINISTRATIVE INFOR-  
MATION"" ...AT REGULAR INTERVALS AND AS QUICKLY AS  
POSSIBLE..."

PROPOSAL: PARTICIPATING STATES SHOULD DECLARE THEIR INTENTION TO TAKE MEASURES IN ORDER TO IMPROVE THE FLOW OF COMMERCIAL INFORMATION IN ORDER TO FACILITATE EAST/WEST BUSINESS.

BASKET II: ENVIRONMENT

1. AIMS AND FIELDS OF CO-OPERATION

(A) OBSERVATION AND CONTROL OF AIR POLLUTION

BASIS: IN THE SUB-CHAPTER ON AIMS OF CO-OPERATION, THE PARTICIPATING STATES AGREED "TO ENCOURAGE.... NATIONAL AND INTERNATIONAL EFFORTS...FOR MONITORING, PROTECTING AND ENHANCING THE ENVIRONMENT." THE "OBSERVATION AND CONTROL OF AIR POLLUTION AND ITS EFFECTS, INCLUDING LONG-RANGE TRANSPORT OF AIR POLLUTANTS" IS ONE AREA INDICATED AS SUITABLE FOR CO-OPERATION IN THE FIELD OF ENVIRONMENT.

PROPOSAL: PARTICIPATING STATES SHOULD AGREE TO CONVENE A SPECIAL MEETING, WITHIN THE FRAMEWORK OF THE ECE-GENEVA, TO CONSIDER A HARMONIZATION OF EMISSION CONTROL POLICIES.

2. EUR/RPE MAY WISH TO INITIATE WIDER WASH GTON DISTRIBUTION.  
STRAUSZ-HUPE

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